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MARKETING ACTIVITIES

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Address all inquiries to
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Improving Our Market Facilities

By J. S. Larson

We are still handling farm products with many of the facilities that were in use when the mustache cup was popular and the outcome of battles hinged on cavalry charges. But we are making progress in replacing these outmoded facilities that cut down cash returns to farmers and jack up the prices consumers pay. Even though much of the progress thus far consists of plans and surveys—still it is progress.

What are market facilities?

They are the big, drab, crowded, clamorous city terminal markets, where there are more fruits, spoiled vegetables, smashed cases, and hand trucks than parking space and suitable refrigeration. They are the weather-beaten shelters along country railroad sidings, where farmers take their crops for assembling into lots sized right for shipment to markets near and far. They are the canneries and other processing plants that dot the big fruit and vegetable production areas, the warehouses equipped to keep food products in condition. They are all those physical means—the good and the not so good, the nearly adequate and the obviously obsolete—by which farm products are assembled, transported, stored, and handled on their way through marketing channels.

Cities Main Trouble Spots

Although inadequacies in market facilities are plentiful enough all along the line, the main trouble spots are the city markets. The city wholesale terminal markets supply local retailers and out-of-town buyers. Many of these markets are ancient indeed. They are often located in the older part of the city, where streets are narrow, cobblestoned, and traffic bound and where dray and truck drivers maneuver manfully and interminably in the nighttime. Parking space is often so scarce that packages of produce have to be trucked several blocks by hand. Yet the market is there. For one reason or another it began there, it grew up there, changing little as many of the city's other characteristics changed immensely. To improve and expand it has always been slow, expensive, and very difficult.

During the lifetime of many of these outdated city markets the volume of produce swirling through them has increased enormously. Yet in most cases no provision has ever been made for receiving shipments by rail. Produce arriving in the city must be trucked or carted to the market from various freight stations, the charges for the extra handling being added to the distribution costs. These costs go up another notch if supplemental markets are established in other sections of the city, with consequent duplication of facilities, rehandling, and rehauling between markets.

The U. S. Department of Agriculture has made a survey of major fruit and vegetable terminal markets in 20 cities. These markets serve

a metropolitan population of some 40 million. On an average the markets draw supplies from 34 States and handle an annual distribution load of more than 800,000 carloads of fruits and vegetables. The majority of them distribute produce in 4 to 9 States.

The survey showed that extensive improvements were needed in the fruit and vegetable wholesale marketing facilities of 15 of the 20 cities. Thirteen markets lacked direct railroad connections. Eight cities had duplicate markets owned by the railroads. The 20 cities contained 64 separate markets. In 11 cities an excessive amount of produce was handled by hand. In 11 cities the hauling of produce was excessive. Traffic conditions were excessively congested in the markets in 15 cities. And two-thirds of the markets studied had old, poorly designed store buildings.

During the war, when huge quantities of farm products had to be handled and labor was scarce, the inadequacy of our market facilities showed up as never before. Many farm and trade groups, civic organizations, chambers of commerce, and State and city officials realized as never before that our facilities would not advantageously handle distribution for home and foreign markets in peacetime, and began to consider how they might improve their market facilities or build anew.

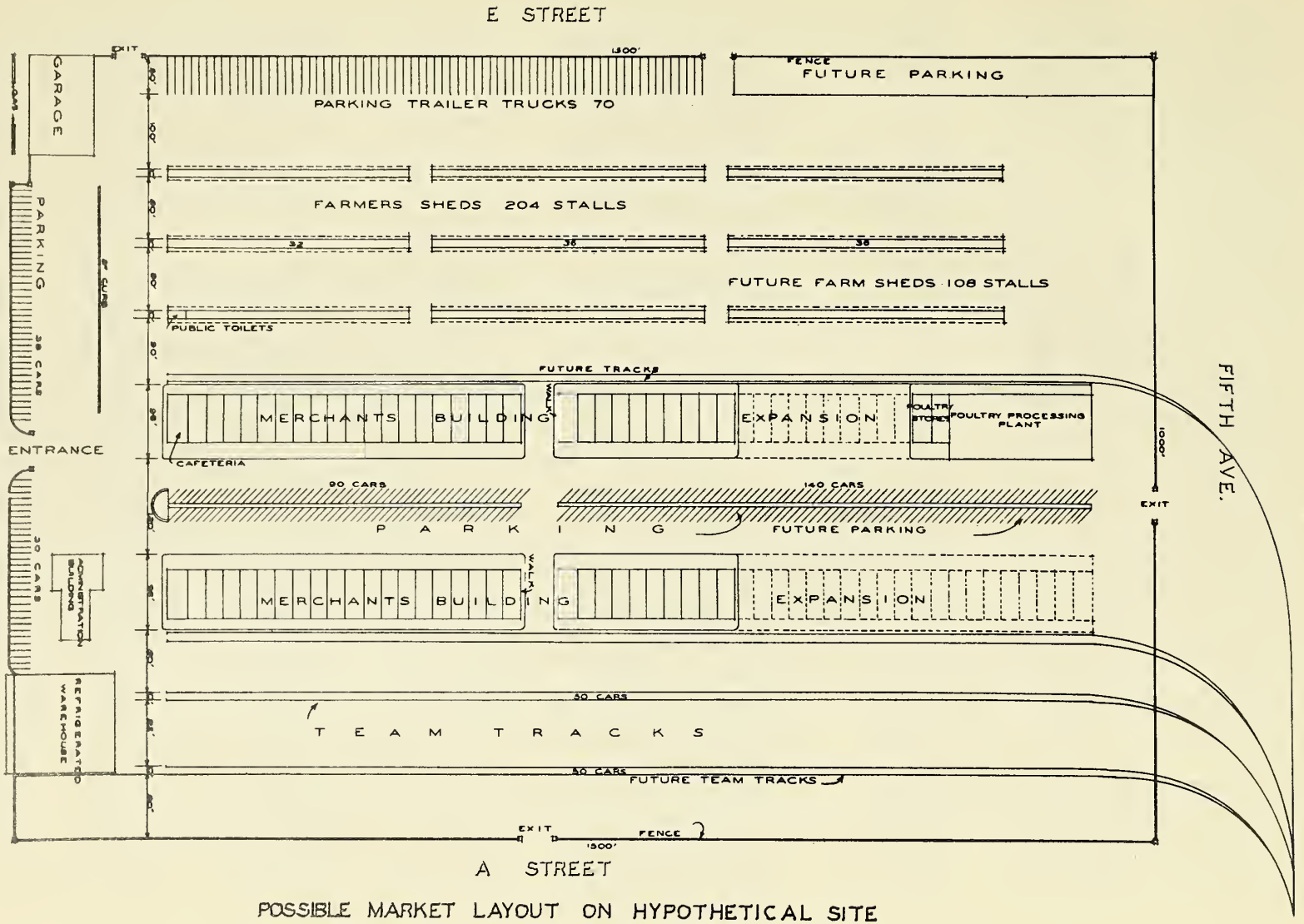
USDA Activities

The Department of Agriculture has been working on these problems, too. Against the time when war needs would end and the country could turn to the crying needs of peace, it had assembled a group of specialists who know the problems involved in handling, storing, transporting, displaying, and distributing various farm commodities, and in designing market structures, planning layouts, and installing the equipment a modern market requires.

The planning of specific jobs begins if, after preliminary investigation, the need of improving the existing market or building a new one is determined. The need may range all the way from a mere farmers assembly market with shelter for farmers' and buyers' trucks, to a complete terminal market with facilities that include farmers and truckers' sheds, dealers' stores, a refrigerated warehouse,and a processing plant.

The Department specialists determine the most favorable site for the new market and supply preliminary plans showing the layouts that are possible. Construction and operating costs are estimated. The chances of amortizing the investment in a reasonable time are weighed against income sources that can be counted on. Whether the job to be done is the construction of a new market or improvement of an old one, PMA provides consultation service until the work is completed.

Last year, the service was requested by State and local marketing people in about 25 cities. And although complete studies in each case have not been possible and most projects must wait for building materials, considerable progress has been made already in study, building, and improvement. In one case, for example, after a survey to evaluate mar-



POSSIBLE MARKET LAYOUT ON HYPOTHETICAL SITE

ket facility requirements, it was found possible to use fair grounds that contained buildings suitable for conversion into market facilities —with savings, as a result, of over $300,000. In one State, marketing people are planning a State-wide system of concentration- and terminal-market facilities, and Department specialists have been cooperating with the local people in getting the studies under way.

Again, in another State, farmers who had to trade in poorly arranged facilities in a congested area wanted a survey made of the marketing facilities for fruits, vegetables, poultry, and eggs. The Department undertook the study after city officials and farm and trade groups had concurred in the request of the State marketing authority. Economic information has been gathered, and sites are being considered.

In one Southern State, Department representatives worked with State representatives to prepare a bill to set up a marketing authority. When the bill was passed, the legislature appropriated $550,000 for a centrally located market.

Marketing Authority Bill

The Department also assisted the National Association of Marketing Officials and representatives of the Council of State Governments and other interested public agencies in drafting a marketing authority bill that States can use in passing legislation looking to the improvement of market facilities—particularly those that handle perishable commodities such as fruits, vegetables, poultry, and eggs. The bill provides the form for establishing public corporations empowered to build and operate produce markets adapted to State laws and conditions. The permissive laws based on it would not stand in the way of facility improvement through other means.

A public corporation established under such legislation would be managed by a board of directors composed of representatives of farmers, wholesalers, retailers, and the city where the facility was located. The board could borrow money, buy land, erect necessary buildings and lease them under terms providing for investment liquidation—an assurance of self-supporting operation in the public interest.

And because efficient market facilities <u>are</u> in the public interest, the Federal Works Agency has recognized that plans for them are in order in any public building program. For the country as a whole, it is estimated that the sum which could be spent economically in the erection and improvement of such facilities would total more than 100 million dollars.

Development of better market facilities is only a part of the Department's objective of getting increased efficiency into the handling and distribution of farm products. Other parts of this job are programs to obtain adequate storage space for farm products, proper supervision of warehouses, and efficient methods of transporation at reasonable rates.

Under title II of the new Research and Marketing Act (see p.),

Congress has declared that a "sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the Nation." Moreover, it is the declared policy of Congress to promote—through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry—"a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully during the past 84 years in connection with the production of agricultural products."

The Secretary of Agriculture is authorized to make available from funds to be appropriated under the act, for allotment to State departments of agriculture, State bureaus and departments of markets, State agricultural experiment stations, and other suitable State agencies, such sums as he may consider appropriate for cooperative projects in marketing service and research. Federal contributions are to be matched by the States.

The increasing help given under this act to the planning of satisfactory market facilities—throughout the country and the field of agricultural marketing—should provide members of the trade with better operating conditions, increase the returns to growers, expand the outlets for farm products, reduce the costs of distribution, and give American consumers more food of higher quality at lower prices. The act is a major step toward solving what the President, commenting on it, called our greatest peacetime agricultural problem: the efficient marketing of enough of the right kinds of food and farm products.

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POULTRY ADVISORY GROUP TO MEET

The Poultry Industry Advisory Committee meets in Washington January 13 for a 2-day session. Selected in November, the committee was the first of the postwar advisory bodies established to assist PMA's commodity branches in planning programs to meet industry problems. USDA representatives scheduled to speak include Secretary of Agriculture Clinton P. Anderson; N. E. Dodd, Under Secretary of Agriculture; Jesse B. Gilmer, Acting Administrator, PMA; C. C. Farrington, Assistant Administrator, PMA; and W. D. Termohlen, Roy W. Lennartson, and J. W. Kinghorne of the PMA Poultry Branch.

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IMPORT CONTROLS ON COCOA REMOVED

USDA has removed all import restrictions on cocoa beans, cocoa butter, and unsweetened cocoa powder. The action, taken in an amendment to War Food Order 63, became effective January 7.

Cotton Research and Machine Pickers

By Francis L. Gerdes

The mechanical picker, which is causing changes in the Cotton Belt, still has drawbacks. To fill some of the gaps between perfection and the picker's present stage of development is part of the job of the Delta Experiment Station and U. S. Cotton Ginning Laboratory at Stoneville, Miss. Specifically, the aim in this work is to improve the quality of the cotton the picker harvests, to make it more merchantable, to increase spinners' demand for it, and to cut down losses from the inferior grades that the picker frequently turns out.

The Right Variety

The arrival of the mechanical picker emphasizes some old cultural practices and calls for some new ones. Obviously, practices that help the cotton plant and hurt the grass and weeds should be continued. Flame cultivation is one effective practice, plant defoliation is another. But the picker's influence reaches farther back than cultivation time, farther back even than planting time. Cotton breeders and other experimenters know that the variety characteristics of cotton grown and harvested under a mechanized system definitely influence the grade. The right variety of cotton to choose is one that is adapted to mechanical picking.

For example, at the Delta Station it was found that the lint of cotton from plants with smooth leaves, when machine picked, was a full grade better in quality than certain hairy-leaved varieties—a grade difference also reflected in mill waste. Moreover, in tests made during several years, machine-picked cotton produced a slightly stronger yarn than did hand-picked cotton from the same field—presumably because the machine passed up the immature locks that the hand picker often gathers.

A few years ago machine-picked cotton usually contained up to 5 percent more foreign matter (mostly green and dry leaf particles) than hand-picked, and considerably more moisture. And today, although some progress has been made, the satisfactory removal of this material is still an unsolved problem. Quality losses run as high as two grades, according to day-to-day comparisons between machine- and hand-picked cotton. The success of mechanized cotton production depends on the solution of the technical problems involved and on improvement in processing and marketing practices.

Although the cotton it harvests is harder to clean, the mechanical picker has compensations. For one thing, indications are that on a crop basis, a spindle-type machine will harvest cotton of higher fiber quality (and higher spinning value and with cottonseed of higher milling quality) than can be picked by hand. In 1945, test crops of machine-picked cotton were within about six-tenths of a grade of hand-picked cotton when ginned on 8 Delta gins specially equipped to clean such cotton, and within approximately 1 grade when ginned on 13 standard gin outfits.

Another advantage of the mechanical picker is that the quality of the cotton it picks varies less than that of hand-picked cotton. Were there enough adequate machinery, used economically over the shortest practicable time for picking a crop, the bulk of the cotton would probably fall within a very narrow range of grades. This result would facilitate the assembling of cotton into uniform lots and give spinners a dependable source of supply of uniform-quality cotton. A narrowing of the range of grades would increase the desirability of maintaining the identity of varieties of high spinning value. Mechanization is likely to reduce the number of varieties planted in any given area. There will be enough uniform-quality cotton to attract the attention of textile mill agents, many of whom already realize the advantages of obtaining a desired, unvarying spinning quality, which pure-variety lots produce.

Today public research agencies and manufacturers of gin machinery are working to develop processes and equipment for effectively cleaning mechanically harvested cotton. The U. S. Cotton Ginning Laboratory has made extensive tests of the equipment developed by the gin machinery manufacturers. It has tested in the field various types of overhead bur machines, impact and plain-cylinder cleaners, combined cleaner and tower driers, extractor feeders, and various combinations of these machines. The field-test samples were then analyzed in the laboratory to determine the effect of the various combinations of machinery on the content of foreign matter and moisture, on the spinning quality of the lint, and on the milling quality of the seed.

The tests on different varieties of cotton have helped to stake out the limits to which machine-picked cotton should be cleaned—limits determined according to how much its net value is increased and how well its spinning value is preserved. In these tests several types of cleaning machinery were arranged in 6 combinations, ranging from 6 cleaning cylinders and an extractor feeder (the simplest combination), to 12 cleaning cylinders, a master extractor, a 12-cylinder cleaner, and an extractor feeder (the most complex combination).

Results of Combinations

The quantity of the foreign matter removed increased as the intensity of the cleaning increased. The simplest combination removed 56 percent of the foreign matter in the seed cotton; the most complex combination removed 82 percent. This result was reflected in the grade of the ginned lint, where the difference between lots of cotton cleaned by the two combinations amounted to almost half a grade. Bale weight decreased —from 488 to 469 pounds—as more trash was removed. Reduction in moisture content was of course also a factor here. There was a downward trend in moisture in the lint as more cleaning and drying machinery was used, but the price per pound and the ultimate bale value increased. The price increase offset the loss in bale weight; in some cases there were value improvements of as much as $5 a bale.

As cleaning units were added, and more foreign matter was removed, the manufacturing waste yielded in the processing tests at the spinning laboratory decreased. The foreign-matter content of the lint of three varieties of cotton averaged 41 pounds a bale under the simplest clean-

ing arrangement, as compared with 27 pounds under the most complex. Although results of the various combinations indicated no differences in yarn quality, the strength of coarse yarn tended slightly to decrease and the appearance of fine yarn to deteriorate as the cleaning action was intensified.

In addition to this laboratory work at Stoneville, PMA in its studies of the economic aspects of cotton ginning is also making field comparisons of performance between gins especially equipped to handle machine-picked cotton and gins equipped with standard machinery. Costs and ginning quality are being determined and compared as a basis for the economical planning and equipping of gins. In the Delta last season, the specially equipped gins turned out machine-picked cotton half a grade closer, on the average, to hand-picked cotton than did the standard-equipment gins used in the tests.

These findings confirmed the Stoneville laboratory test results and reinforced the general conclusion that a limit had been reached in the cleaning of seed cotton before ginning.

To solve this problem the Stoneville laboratory, and now certain commercial manufacturers as well, for 2 or 3 years have been working to develop a method of cleaning the lint from machine-picked cotton as it is blown from the gin saws to the condensers. Two big difficulties in this development work are to discover (1) how to clean the cotton mechanically without tangling or "nepping" the fiber, and (2) how to prevent the loss of usable fibers discharged with foreign matter.

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WOOL-MARKETING IMPROVEMENT PROGRAM EXTENDED

Extension of the program for improving marketing practices for wool to permit the handling of an additional 500,000 pounds has been announced by the U. S. Department of Agriculture. The program was announced last June as a cooperative project under the general direction of the Production and Marketing Administration, to be carried out with the cooperation of the Texas Agricultural and Mechanical College and local grower associations.

The original project called for the preparation of wool acquired by the Commodity Credit Corporation, under the Government's wool-purchasing program, for market under conditions that Department officials believed would result in a product more acceptable than domestic wool as it is prepared ordinarily. A sum of $50,000, authorized for carrying out the project, will be sufficient for the extended program. Its extension to February 28, 1947, permits use of another 500,000 pounds of wool and utilization of the skills of wool sorters who were partly trained while working under the initial project and who wish to complete their training under expert supervision to enable them to perform similar work for wool dealers in Texas. The graded, sorted, and packaged wool will be offered for sale to interested woolen mills.

Activities Under Research And Marketing Act of 1946

Committees To Be Named

It is hoped that membership on several of the commodity and functional committees to be established under the Research and Marketing Act can be announced by February 1. A large number of nominations for membership on these committees have been received by the U. S. Department of Agriculture from organized groups.

Nominations Requested

Requests for nominations were sent late in December to approximately 300 groups, such as farm, processor, and distributor organizations, in line with recommendations of the National Advisory Committee. From nominations received, members will be selected to serve on 17 commodity committees, as follows: Livestock, dairy, poultry and poultry products, citrus fruits, deciduous fruits, vegetables, potatoes, nuts, grains, feeds and seeds, rice, dried beans and peas, cotton, wool, tobacco, peanuts, and soybeans and flaxseed. In addition, members will be named to serve on 4 functional committees, as follows: Transportation, storage, packaging, and foreign trade.

Formation of committees, including representatives of producers, industry, Government, and science, is authorized under the Research and Marketing Act. In keeping with the obvious intent of Congress to provide representation of interested groups, the organization of additional committees—over and above the 17 commodity and 4 functional committees—is under consideration.

NAMO Executive Committee Meets

The executive committee of the National Association of Marketing Officials met December 19 with representatives of the National Advisory Committee and officials of the U. S. Department of Agriculture to discuss work coming under the Marketing and Research Act.

Matters discussed at the meeting included committee organization, definitions and interpretations of provisions of the act, the submission of projects, cooperative agreements, financial requirements, liaison between the Department of Agriculture and State agencies, and Department of Agriculture organization.

Attending the meeting were R. B. Etheridge, F. C. Gaylord, Warren W. Oley, J. H. Meek, and G. H. Chick of the National Association of Marketing Officials; C. W. Kitchen and Kerr Scott of the National Advisory Committee; and E. A. Meyer, S. R. Newell, Frederick B. Northrup, and Herman M. Southworth of the U. S. Department of Agriculture.

Committee Meetings Scheduled

The National Advisory Committee will meet in Washington, D.C., February 3, 4, and 5. The Committee of Nine will meet in Washington on the same dates.

(The Committee of Nine, elected by and representing the directors of State agricultural experiment stations, recommends the use of funds for cooperative research in which two or more State agricultural experiment stations are cooperating to solve problems that concern the agriculture of more than one State.)

Submission of Programs

One of the important features of title II of Public 733, designated as the Agricultural Marketing Act of 1946, is provision for cooperative work between the Department of Agriculture and the several State agencies on marketing research and service programs. A number of questions have been raised relative to the types of projects that would be acceptable under the act and the form of submission of such projects. While no formal rules of procedure have yet been issued, the Department will be glad to have any ideas of the various agencies relative to marketing programs that are important in the States. In order to facilitate consideration of any project that may be submitted, the information sent in should be in sufficient detail to permit full appraisal. In preparing project statement, the following general outline should be followed:

1. Name of project.—Provide a short title and indicate under what subparagraph of section 203 of title II the proposed project would fall.

2. Cooperating agencies.—Under this heading, the names of the participating agencies should be given. It will be helpful to show whether or not the proposed project has been cleared with any other agencies in the State that may be concerned.

3. Project leaders.—To facilitate contact or further inquiry, the name of the person or persons to be responsible for carrying out the project should be given.

4. Objective.—Under this heading a clear statement of just what is to be accomplished is desired.

5. Problem and need for the work.—This section should set forth clearly the importance of the proposed program, and why it should be undertaken.

6. Method of operation.—The method of operation should be given in some detail, indicating just how the proposed program is to be carried out and what part each agency concerned will do.

7. Probable time of completion.—If it is a continuing program, it should be designated as such; but if it is one for

which some definite conclusions are to be reached, the best estimate possible of the time of completion should be given.

8. Estimate of cost.—This should show separately the salary costs; the amount required for travel; the amount required for equipment and supplies, showing what kinds of equipment will probably be needed; and any other items, such as communication and incidental expenses. If it is proposed that the cost of the project be met under the matching provision of section 204 (b), the budget statement should also show clearly what funds are to be provided by the State agency for matching programs, their source, and the basis for determining that they constitute additional funds under the terms of the act. Section 204 (b) provides that the funds which State agencies propose for matching of federal funds "shall be in addition to any funds now available to such agencies for marketing services and for marketing research."

An original and two carbons of each proposed project should be mailed to E. A. Meyer, Administrator, Research and Marketing Act of 1946, United States Department of Agriculture, Washington 25, D. C.

Market Commission Proposed for Virginia

A tentative plan for application in Virginia of work coming under title II of the Research and Marketing Act has been drafted by J. H. Meek, Director, Division of Markets, Virginia State Department of Agriculture.

Mr. Meek suggests, as a fundamental step, the organization of a market commission in Virginia. This would provide for close coordination among representatives of the State Experiment Station, the State Extension Service, the Division of Markets of the State Department of Agriculture, and the U. S. Department of Agriculture.

The program of the commission would be divided into projects as follows: (1) Fish and fishery products; (2) forest products; (3) fruits and vegetables; (4) grains and hay; (5) livestock and meats; (6) market news; (7) market facilities; (8) poultry and eggs; (9) processed products; (10) services to cooperatives; (11) tobacco; and (12) transportation.

Experiments would be carried on and research studies made to determine the need for improvement relative to the preparation, packing, handling, and selling of commodities produced in Virginia—or for performing services suggested by the projects listed. Standardization, inspection, and regulatory services would be applied to the products so as to meet the needs and requirements of each project. Educational methods would be used to create interest, bring about proper support, and stimulate demand for improvements in the various distribution methods.

Research, education, and services carried on under authority of the proposed market commission would be supplementary to or in addition to present activities.

Science Looks at Apple Scald

By Grace E. M. Waite

Scald in apples is a brown discoloration of the skin which may destroy the cells beneath and, finally, the entire apple. It is estimated that this disorder, before U. S. Department of Agriculture scientists found a cure, cost the apple industry in the neighborhood of $2,000,000 annually.

Scald is primarily a storage disease. Brown-tinted areas on the fruit, indicating the onset of the disorder, generally appear after the apples have been in storage 6 weeks. Decay organisms affect the cells under the discolored skin, which ultimately means rotten apples.

Apples Breathe

Scientific investigation revealed what is believed to be the basic cause of the trouble. Apples continue to "breathe" even after they are picked and put in storage. This apple breath includes acetaldehyde and various esters which contain the delicate perfume of the fruit. If these emanations are not removed by aeration or by adsorptive materials, apple scald is likely to develop.

Since aeration in storage is not feasible in carrying away apple emanations, Department research men tried to remove them by adsorption. For this purpose they used powdered charcoal and other loose adsorptive materials; coated the apples with vegetable oils, animal fats, or petrolatum; or simply wrapped them in oiled paper. Of the three procedures, the oiled paper wrap seemed the most practicable.

The next problem was to find the best and cheapest kind of oil to use in treating the wrappers. Vegetable and animal oils wouldn't do because they became rancid and tainted the fruit; petrolatum was rejected for the same reason. Medicinal mineral oils, while tasteless and odorless, were too expensive. However, it was found that "technical white oils"—the cheaper and less refined mineral oils—proved a good preventive and supplied sufficient oil, about 15 to 18 percent of the paper weight, without causing the sheets to stick together. Packing the apples in oiled wraps costs only 2 to 3 cents per bushel more than untreated paper wraps.

Oiled wraps are now being used on most of the Pacific coast boxed apple crop and for a large portion of the wrapped apple crop in other parts of the country. Shredded oiled paper, well distributed throughout the package, is used for apples marketed unwrapped in baskets or barrels. It is essential that all the apples be in contact with the oiled paper.

Department plant industry specialists caution that while the use of oiled wrappers or shredded oiled paper has generally proved a satisfactory scald preventive, it is not always effective for certain varieties like the Mammoth Black Twig. They've discovered that napthaleneacetic

acid in a solution of lanolin sprayed onto the fruit as it passes through the sizing and packing machinery is a more effective treatment against scald for the poorer-keeping varieties. Only a very small quantity of this hormone material is needed to protect from this profit-stealing apple disorder. And while it gives more protection than the oiled paper wraps now used, its cost is even less.

Horticulturists can take other steps that will help to control scald. Fruit picked when well-matured but not overripe develops less than half as much scald as that picked green. (Incidentally, the green side of an apple is more susceptible to scald than the red side.) Department of Agriculture horticulturists also say that apples should be cooled as quickly as possible after picking. In cases of delayed storage, the apples should be exposed to the air to lessen the tendency to scald. Avoiding heavy irrigation will help to reduce scald. Cultural practices, such as pruning, cultivation, and fertilization, affect color and maturity--factors in scald resistance.

There was a day when apples were "in season" only until March or April. If scald appeared, the fruit had to be hurried out of the storage plant and into distribution channels. Through the new control measures, the fruit of a given variety can be held in storage 2 to 3 months longer.

EFFECT ON AGRICULTURE OF
THE PRESIDENT'S PROCLAMATION

The principal effect on agriculture of the President's proclamation, on December 31, of the cessation of hostilities is to establish definite termination dates on agricultural programs as follows:

(1) The terminal date of the principal wartime price-support programs will be December 31, 1948.

(2) On December 31, 1948, the restrictions on the disposal of cotton by the Commodity Credit Corporation as prescribed in section 381 (c) of the Agricultural Adjustment Act of 1938, as amended, will again become effective.

The President's proclamation does not affect authorities of the U. S. Department of Agriculture under the War Powers Act and the Price Control Extension Act of 1946. These include: War Food orders, the making of certain subsidy payments, the monthly certification of commodities in short supply, and others.

Price-Support Operations

Wartime price-support operations fall into the following general categories:

Basic commodities.—Under the Stabilization Act of 1942, prices of "basic" commodities—corn, wheat, rice, tobacco, and peanuts for nuts—are to be supported for two full calendar years following the cessation of hostilities at 90 percent of parity. The price of cotton, also a basic commodity, is supported at 92½ percent of parity. This support terminates with the crops harvested during the period ending December 31, 1948.

"Steagall commodities".—The so-called Steagall amendment requires that prices of certain commodities be supported through loans, purchases, or other operations at not less than 90 percent of the parity or comparable price of the commodities for which the Secretary of Agriculture by formal announcement has requested an expanded production for war purposes. The Steagall amendment provided that these supports should be in effect for a period of two full calendar years following the proclamation of the end of hostilities. The President's proclamation has the effect of setting December 31, 1948, as the definite date for the termination of this support program.

The Steagall commodities, those for which expanded production was formally requested, include:

Hogs; eggs; chickens over 3½ pounds live weight; turkeys; milk and butterfat; dry peas of certain varieties; dry edible beans of certain varieties; soybeans for oil; flaxseed for oil; peanuts for oil; American-Egyptian cotton; potatoes; and sweetpotatoes.

Other commodities.—The Steagall amendment also provided that the lending and purchasing operations of the Department of Agriculture should be carried out to bring the price and income of producers of other commodities to a fair parity relationship with the basic and the Steagall commodities. Price supports for this third group of commodities are permissible rather than mandatory and can be carried out under the general authority of the Commodity Credit Corporation and other authorities of the Department. Among some of the commodities for which this type of support has been used are wool, naval stores, American hemp, sugar beets and sugarcane, black-eyed peas and beans, certain fruits for processing, certain vegetables for processing, barley, grain sorghums, rye, Sea Island cotton, certain vegetables for seeds, winter cover crop seeds, and hay and pasture seeds. Price supports for this third category of commodities have been permissive rather than mandatory.

Cotton Disposal Restrictions

The President's proclamation will reestablish on January 1, 1949, that portion of the Agricultural Adjustment Act of 1938 which establishes limits on the price and volume at which the Commodity Credit Corporation may dispose of cotton held by it. The provision (section 381 (c) of the AA Act) was suspended by the act of April 12, 1945, for the period of the hostilities and for 2 years thereafter. It prohibits the CCC from selling cotton below cost, and limits sales in any calendar month to 300,000 bales and in any calendar year to 1,500,000 bales.

USDA Ends Its Purchases Of Utility Draft Animals

By M. O. Cooper

Purchase of 18,000 mares and geldings in December brought to an end a program under which the U. S. Department of Agriculture during 1946 bought almost 164,000 head of utility draft animals for European countries. Most of the animals were bought in Missouri, Iowa, Nebraska, South Dakota, North Dakota, Arkansas, Texas, and Kansas.

The Production and Marketing Administration acted as purchasing agent for the United Nations Relief and Rehabilitation Administration under the program procedure. When requisitions were received from UNRRA, PMA would notify the trade and others interested of its intention to buy animals in lots of 300 or more. Contracts were awarded to low bidders on the basis of the cost delivered at port. The successful bidder delivered animals at a point named in his contract as ships became available. Department personnel inspected all animals at the point of freight origin to determine whether they met specifications.

The Department took title to the accepted animals at the time they were placed in the railroad car at the delivery point, and retained title until it passed to UNRRA at the time the animals were loaded on the ship.

More animals passed through Newport News than any other port. Savannah, Baltimore, Houston, New Orleans, and Portland, Maine, also handled shipments. Veterinarians were available at ports to make sure that all animals, sick or well, were given proper care. At Savannah, for example, some 10 veterinarians were employed by UNRRA and by the contractor furnishing holding facilities at the port. Additional inspection, to prevent the loading of any unhealthy animals, was made at loading-time by veterinarians of the Department's Bureau of Animal Industry.

Other PMA activities in connection with the draft animal purchase program included the grading of the feed bought by the contractors who took care of the animals at ports (as at Newport News and Savannah), and the purchase of oats, bran, and hay fed aboard ship.

Dairy Cattle Also Bought

In its program of buying livestock for UNRRA account for export to Europe, PMA during the first half of 1946 had also bought approximately 23,000 dairy cattle. These consisted of high-grade dairy heifers and pure-bred bulls of the Holstein and Brown Swiss breeds.

The livestock purchase program was transferred to the Department at the beginning of the year from the U. S. Commercial Company, an agency

of the Reconstruction Finance Corporation. At point of origin, prices paid for horses ranged generally from $50 to $90, depending on market conditions, and mule prices approximated $110. Average prices paid for dairy animals were: Grade-bred dairy heifers, $140 to $175; pure-bred bulls, $300.

Shipment of these animals to Europe and their dispostion after arriving there was handled entirely by UNRRA.

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BACKGROUND FOR PRICING UNDER FEDERAL MILK MARKETING ORDERS

As a result of recent developments on the New York butter market, PMA has received numerous requests for information on Federal milk marketing orders. The following may serve to answer similar questions in the minds of Marketing Activities readers:

The Secretary of Agriculture is authorized under the Agricultural Marketing Agreement Act of 1937 to establish minimum milk prices to reflect (1) such factors as current prices and available supplies of feeds, and (2) other economic factors that affect market supply and demand for milk and its products in the marketing area. The prices must assure adequate supplies of wholesome milk and be in the public interest.

Under authority of the act, the Secretary holds hearings and issues marketing orders that contain established minimum prices for various milk uses. But because of rapidly changing economic conditions and the need for quicker action—since it is not always possible to hold formal public hearings and institute amendments to price provisions—formulas that move producer prices automatically with changing economic conditions have been devised.

These formulas are based on the fact that fluid milk prices usually maintain a definite relation to the price of milk used by condenseries and evaporated milk plants, or to the market prices of manifactured products (butter, cheese, and nonfat dry milk solids). Hence the use of these five product prices in various combinations to adjust milk prices.

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NO RICE MARKETING QUOTAS FOR 1947-48

Formal announcement that there will be no rice marketing quotas and no acreage allotments during the 1947-48 rice production and marketing season has been issued by USDA. The action was taken in accordance with provisions of the Agricultural Adjustment Act of 1938 designed to protect both consumers and producers in maintaining adequate supplies of food. The act provides for quotas when the total supply exceeds a normal supply for the current marketing year by more than 10 percent.

Burley Tobacco—New Export Crop?

By Granville E. Dickey

The post-holiday reopening of the burley tobacco markets on January 6 focuses the attention of marketing specialists on a question of vital interest to more than 200,000 American farmers who grow this type of tobacco. That question is: Can our export market for burley tobacco be expanded?

Burley is grown largely in Kentucky, Tennessee, Virginia, West Virginia, Missouri, Ohio, and Indiana. By volume and use, it is the second most important tobacco grown in the United States, with an annual production slightly less than half that of flue-cured, the most important tobacco. Biggest use of burley is in cigarettes—but it is also a major component of American smoking and chewing tobaccos. It also has some use in the manufacture of snuff.

Increased Yields

Yields of burley per acre have increased during the past 5 or 6 years from around 850 pounds to about 1,100 pounds per acre, largely because of improved cultural practices and the use of more fertilizer. These sharply increased yields have posed the threat of surpluses—despite the fact that burley is grown under marketing quotas that have the effect of limiting acreage.

It is also true that the production of flue-cured tobacco has increased substantially during the last few years. People who note the increases in both flue-cured and burley often wonder: "Why is there a tight market on flue-cured, yet a threatened surplus in burley?"

The answer boils down to a single word: Exports.

For a great many years, flue-cured has been a prized tobacco in world markets (particularly British and British influenced), and from 20 to nearly 50 percent of U. S. production has gone abroad. On the other hand, very little burley—3 to 5 percent—has found its way outside the United States. What, then, is the way to avert any threatened surplus of burley? Answer: To export more of it.

Unfortunately, this is easier said than done. While many tobaccos in leaf form look alike to unskilled eyes, they are often quite different in many important respects. Flue-cured tobacco, for example, contains a great deal of sugar, whereas burley to be smoked with satisfaction requires the addition of sweeteners during its blending and manufacture. The different kinds of tobacco call for different techniques. A flue-cured expert is often entirely ignorant of burley treatment and manipulation.

There are plenty of smokers who enjoy straight flue-cured cigarettes, and plenty who prefer cigarettes in which Oriental tobacco pre-

dominates. But straight burley cigarettes are preferred by no large group of smokers. Burley is essentially a "combination" tobacco, useful in blended cigarettes.

American-type blended cigarettes cannot be made without burley. Although the exact blends of manufacturers are closely guarded trade secrets, it is accurate to say that in general the most popular American blended cigarettes are composed of 50-odd percent of flue-cured, 30-odd percent of burley, around 10 percent of Oriental types, and from about one-half to 2 percent of Maryland tobacco.

It is the policy in nearly all countries to encourage the domestic manufacture of tobacco products, even when that manufacture is impracticable (as when climate or soil is unsuited). That is why it is extremely difficult to increase the export markets for blended cigarettes made in this country. But ... it is possible to increase exports of burley leaf to be used in the manufacture of American-type blended cigarettes in other countries.

The job of increasing burley leaf exports is one for business and Government together. Government can help toward the removal in other countries of various laws and trade barriers that hinder our exports. Trade sources can teach its uses and satisfactions to the manufacturers, distributors, and consumers of other countries.

One tremendous promotional job of this kind has been done already—by American GI's. They have distributed American cigarettes all over the world. And although the tobacco preferences of a nation are fairly difficult to change, they can be changed quicker than was believed possible. It seems established today that in many lands the American type of blended cigarette will outsell any other—at much higher prices.

Already, too, burley experts from American companies have been sent to show manufacturers of other countries how we use this tobacco, and the quantity exported has somewhat increased.

But the big job of increasing burley exports lies ahead.

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FEBRUARY PLENTIFUL FOODS LIST

The following foods are expected to be in plentiful supply throughout the greater part of the United States during February 1947:

Potatoes; onions; fresh citrus fruits; canned citrus juices; canned grapefruit segments; peanut butter; apples; dried peaches; celery; eggs; and heavy tom turkeys. Record crops of almonds and filberts are expected to be reflected in retail prices in February considerably below those prevailing a year ago. In the use of this list, the local availability of each item should be verified.

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

Objectives for American Agriculture, by Clinton P. Anderson, Secretary of Agriculture, Washington, D. C. December 4, 1946. 7 pp. (Mimeographed)

Europe and the American Farmer, by Norris E. Dodd, Under Secretary of Agriculture, San Francisco, Calif. December 11, 1946. 14 pp. (Mimeographed)

Poultry and Eggs in the Postwar Period, by W. D. Termohlen, Director, Poultry Branch, PMA, San Francisco, Calif. December 9, 1946. 6 pp. (Mimeographed)

Current Economic Developments and the Balance Sheet of Agriculture, by Norman J. Wall, Bureau of Agricultural Economics, Louisville, Ky. November 14, 1946. 18 pp. (Mimeographed)

Publications:

Fiber and Spinning Test Data on Cottons Included in Regional Variety Study, Crops of 1935, 1936, and 1937. (PMA) November 1946. 35 pp. (Multilithed)

Commitments of Large Traders in Cotton Futures. (PMA) November 30, 1946. 1 pp. (Mimeographed)

Onion Fact Sheet. (PMA) January 1947. 2 pp. (Mimeographed)

U. S. Standards for Grades of Canned Orange Juice. Effective November 15, 1946. 9 pp. (Mimeographed)

U. S. Standards for Bunched Shallots. Effective December 16, 1946. 7 pp. (Mimeographed)